SEEKAPA

Margin Information

1. Introduction

1.1. BluePine LTD (hereinafter 'the Company') operating under the trading name Seekapa.com is a Seychelles investment firm, authorized and regulated by the Financial Services Authority ("FSA") of Seychelles with license number SD183.

2. Definitions

2.1. Any conditions used in these Terms which are not defined here shall have the meaning attributed to the term in the Client Agreement.

2.2. The following terms shall have the meanings attributed to them below:

2.3. "Initial Margin" shall mean the minimum amount of money required in your Trading Account in order to open a Transaction, as specified on the Trading Platform from time to time for each specific Underlying Asset.

2.4. "Maintenance Margin" shall mean the minimum amount of money required in your Trading Account as specified on the Trading Platform in order to keep a Transaction open on the Trading Platform.

2.5. "Margin" shall mean the Initial Margin and the Maintenance Margin collectively.

2.6. "Free Margin" shall mean the difference between the trading account's equity and the open positions margin. The free margin appears at the bottom of the platform.
Free margin = Equity – Margin

2.7. "Margin Call" shall mean a suggestion by us for you to increase the amount of money in your Trading Account to satisfy our Margin requirements, in order to be able to maintain an open position.

3. General Terms

3.1. Margin

3.1.1. Margin is calculated based on the leverage used and is the amount of equity needed to open and maintain a position.

Formula: Margin **=** Contract size **x** Lot Value ÷ Leverage where "Lot Value" is the deal lot **x** Account currency rate for Forex and deal lot **x** Entry Price **x** Account currency for CFD.

- Example 1:

Assuming that your trading account has a leverage ratio of 1:100 and you wish to buy 1 Lot (fixed at 100,000) of EUR/USD, leverage gives you the ability to pay 1/100 of the invested amount (this will be the margin used for this single position).

1 Lot EUR/USD = EUR 100,000 against USD
If the EUR/USD opening price was 1.12 the Trade value will be (100,000 **x** 1.12) or 112,000 USD
The margin for the above-mentioned position is (112,000 ÷ 100) **1,120 USD.**

3.2. Free Margin

3.2.1. The free margin appears at the bottom of the platform and represents the difference between the trading account's equity and the open positions margin.
Free margin = Equity – Margin

3.3. Margin Level

3.3.1. A percentage value based on the amount of usable margin and equity.
If the margin level is less than 100% Seekapa.com may freeze opening new orders.
If the margin level is lower than the margin call level (at 100% of the margin level) the trader is advised to deposit more funds. Seekapa.com may automatically close open orders and prevent further trading when the margin level falls below the stop-out level.

Formula: Margin Level = 100 x Equity ÷ Margin

3.4. Margin Call

3.4.1. A margin call may occur when the trader's equity as a percentage fall below the margin requirement.

3.4.2. It should be noted that Seekapa.com does not bear an obligation to provide a Margin Call to any trader. Nevertheless, traders are advised to maintain a margin level above 100%.

3.5. Stop Out level

3.5.1. The stop-out level is between 20% – 100% of the Margin Level. When the stop-out level is reached, the system will start closing your positions automatically, without prior notice, starting from the larger position to the smaller position.

- Example 2:

A client deposits $10,000 and sets the maximum leverage to 1:100.
The trader may open positions of up to 10,000 **x** 100 **=** 1,000,000 USD which is equal to 10 Lots.
Assume stop out is at 10%

The client opens a BUY position of 5 LOT EUR/USD at 1.12.

- Volume of the particular position will be EUR 500,000 **x** 1.12 = $560,000
- Margin will be ($560,000/100) = $5600
- Free Margin will be ($10,000 **–** $5,600) = $4,400
- Margin Level will be 100 **x** $10,000 ÷ 5600 =178.57%

Profit Scenario:

If the EUR/USD rate rises to 1.135, the trader will make a gain of EUR 500,000 **x** (1.135 **–** 1.12) **=** $7,500
Free Margin will rise to (10,000 **–** 5,600 **+** 7,500) **=** 11,900 assuming the position was not closed yet.
Margin level will rise to 100 **x** 17,500 ÷ 5600 **=**312.5%

Loss Scenario:

If the EUR/USD rate falls to 1.105, the trader will generate a loss of EUR 500,000 **x** (1.105 **–** 1.12) **=** $(-7,500)
Free Margin will fall to (10,000 **–** 5,600 **+** (**-** 7,500)) = (**-** 3100) assuming the position was not closed yet.
Margin level will fall to 100 **x** 2500 ÷ 5600 **=** 44.6%
Since the margin level is below 100%, trader will not be able to open new positions.

If the EUR/USD continues to fall and reaches 1.101, the trader will generate a loss of EUR 500,000 **x** (1.101 **–** 1.12) **=** $(- 9,500).
Margin Level will fall to 100 **x** 500 ÷ 5600 **=** 8.9%.
Since the Margin Level is now below the stop-out level of 10%, the trade will be closed automatically by the system.

- Example 3:

Client deposits $10,000 and sets the maximum leverage to 1:300.
The trader may open positions of up to 10,000 **x** 300 **=** $3,000,000 which is equal to 30 Lots.

The client opens a BUY position of 20 LOT EUR/USD at 1.12.

- Volume of the particular position will be (EUR 2,000,000 **x** 1.12) **=** $2,240,000
- Margin will be (2,240,000/300) **=** $7,467.
- Free Margin will be (10,000 **–** 7,467) **=** $2,533
- Margin Level will be 100 **x** 10,000 ÷ 7,467 **=** 133.92%

Profit Scenario:

If the EUR/USD rate rises to 1.135, the trader will make a gain of EUR 2,000,000 **x** (1.135 **–** 1.12) **=** $30,000
Free Margin will rise to (10,000 **–** 7,467 **+** 30,000) **=** 32,533 assuming the position was not closed yet.

Margin level will rise to 100 **x** 40,000 ÷ 7,467 **=** 535.69%

Loss Scenario:

If the EUR/USD rate falls to 1.11625, the trader will make a loss of EUR 2,000,000 **x** (1.11625 **–** 1.12) **=** $(**-** 7,500)
Free Margin will fall to (10,000 **–** 5,600 **+** (7,500)) = **-** 3,100 assuming the position was not closed yet.
Margin level will fall to 100 **x** 2500 ÷ 7,467 **=** 33.48%
Since the margin level is below 100%, trader will not be able to open new positions.

If the EUR/USD continues to fall and reach 1.11525, the trader will have a loss of EUR 2,000,000 **x** (1.11525 **–** 1.12) **=** $(**-** 9,500)
Margin Level will fall to 100 **x** 500 ÷ 7,467 **=** 6.69%.
Since the Margin Level is now below the stop-out level of 10% the trade will be automatically closed by the system.